



SOLICITATION AMENDMENT

Solicitation Number

EV07-0027

Amendment Number

Three (3); page 1 of 2

Solicitation Due Date: May 14, 2007, **3:00pm** Local Arizona Time

Solicitation Title: Arizona Vehicle Emissions Inspection Program

The Arizona Department of Environmental Quality Procurement Office must receive a signed copy of the Solicitation Amendment by the Solicitation Due Date and Time cited above.

The purpose of this amendment is to delete transfer of contractor assets to a party designated by ADEQ, clarify the status of transfer, delete the kiosk approach to collect payment from motorists, indicate that certain financial information should be submitted in Excel spreadsheet format, and correct a typographical error in amendment #2. The specific changes are indicated below.

Special Terms and Conditions, section 3, "ASSIGNMENT AND TRANSFER OF CONTRACTOR'S RIGHTS AND INTERESTS", the following sections are amended: 3.3.1, 3.3.2, 3.7, and 3.8 for the purpose of deleting transfer to a party designated by ADEQ.

Section 3.3.1 is amended to read: "Assign or otherwise transfer to the State any interest in land, buildings, improvements, equipment, parts, tools, services, and other assets owned and used by Contractor in the operation of the program. Such interests shall be transferred free of any encumbrances."

Section 3.3.2 is amended to read: "Assign or otherwise transfer to the State any contract rights, and related obligations, for land, buildings, improvements, equipment, parts, tools and services rented, leased, licensed, or otherwise used by the Contractor in the operation of the program. At the time of transfer, Contractor shall bring current any past due obligations and satisfy any future obligations that have accrued based upon the Contractor's past exercise of contract rights."

Section 3.7 is amended to read: "Contractor may retain and not transfer to ADEQ any intellectual property created by the Contractor that is not covered by the Uniform Terms and Conditions, section 3.8, "Ownership of Intellectual Property"."

Section 3.8 is amended to read: "For any intellectual property retained and not transferred by the Contractor pursuant to this section, Contractor shall be deemed to have provided ADEQ and its assignees with a non-exclusive license or similar permission to use such property for nine (9) years from the date the ADEQ Procurement Officer executes the Acceptance of Offer. Contractor shall, upon request from ADEQ and in a timely manner, take any and all steps that may be necessary to formalize such license or permission. The provisions of this section shall extend beyond Contract termination. It is the intention of the parties that this section shall be completely sufficient to provide ADEQ and its assignees with such a license."

CONTRACTOR

TO THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY: The undersigned hereby acknowledges receipt and understanding of this Solicitation Amendment.

Company

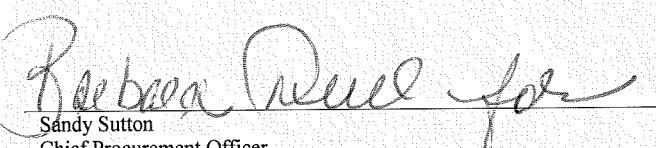
Signature

Typed Name

Date

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

The above referenced Solicitation Amendment is hereby executed this 24 Day of April 2007


Sandy Sutton
Chief Procurement Officer

Arizona Department of Environmental Quality
Contracts and Procurement Section
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The following is added to the SPECIAL INSTRUCTIONS TO OFFERORS for the purpose of clarifying transfer of contractor assets:

"36. CLARIFICATION – 2

ADEQ does not anticipate and vendors should not expect any transfer of land, buildings, improvements, equipment, parts, tools, intellectual property, and services owned or leased by the current AVEI contractor (reference contract # EV01-0037), pursuant to any Contract award made from this solicitation."

The following sections are amended to remove the kiosk approach for motorists to make payment and to provide requirements for an ATM machine. The specific changes are listed below:

Delete section 24.7.1 from the Special Terms and Conditions and indicate this section is "Reserved".

Delete section 22.1.3 from the Special Instructions to Offerors and indicate this section is "Reserved".

The amended "ATTACHMENT 3, CONTRACT PRICING SCHEDULE", page 1 of 2, is attached.

Special Instructions to Offerors, section 23, "COST OR PRICING DATA", the first sentence is amended to read: "The Offeror should submit, **in Excel spreadsheet format**, cost and/or pricing data which provides the basis for how liquidated damages were derived, in support of the maximum amounts listed on part "II" of the "Contract Pricing Schedule", to be eligible to receive payment pursuant to the "Liquidated Damages Payable to the Contractor" section of the Special Terms and Conditions (the Offeror is advised to read and shall follow the "Liquidated Damages Payable to the Contractor" and the "Certification of Cost or Pricing Data" sections of the Special Terms and Condition)." (emphasis added in bold to identify the added text)

Special Instructions to Offerors, section 28.3.9, is amended to read: "28.3.9 Provide, **in Excel spreadsheet format**, proforma sets of Offeror's financial statements (including a balance sheet, a statement of operations, a statement of equity, and a statement of cash flows) as of the end of the implementation phase and as of the end of the first full year of the operations phase for the line of business described in this solicitation." (emphasis added in bold to identify the added text)

Solicitation Amendment Number Two (2), section 6.6.3, the last sentence as reads: "The Contractor shall demonstrate by invoices to third party entities that budgeted funds are being utilized for public education purposes." is amended to read: "The Contractor shall demonstrate by invoices **from** third party entities that budgeted funds are being utilized for public education purposes." (emphasis added in bold to reflect the amended text)

**ATTACHMENT 3
CONTRACT PRICING SCHEDULE
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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY**

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I. Contractor's Test Fee for each Area and each Test Type.

Contractor's Test Fee Area A Test Type per Vehicle	
Idle	\$
Steady State Loaded/Idle	\$
Transient (IM147)	\$
Diesel - light duty	\$
Diesel - heavy duty	\$
OBD *	\$ *
Bi-Fuel - Steady State Loaded/Idle	\$
Bi-Fuel - Transient (IM147)	\$

Contractor's Test Fee Area B Test Type per Vehicle	
Idle	\$
Steady State Loaded/Idle	\$
Diesel - light duty	\$
Diesel - heavy duty	\$
OBD *	\$ *
Bi-Fuel - Steady State Loaded/Idle	\$

* OBD test fees shall be the same amount for both Areas.

II. Liquidated Damages Payable to the Contractor in accordance with the Special Terms and Conditions.

Contract Year Time Period	Maximum Amount of Liquidated Damages	
	Level I	Level II
July 1, 2007 - June 30, 2008	\$	\$
July 1, 2008 - June 30, 2009	\$	\$
July 1, 2009 - June 30, 2010	\$	\$
July 1, 2010 - June 30, 2011	\$	\$
July 1, 2011 - June 30, 2012	\$	\$
July 1, 2012 - June 30, 2013	\$	\$
July 1, 2013 - June 30, 2014	\$	\$
GRAND TOTALS	\$	\$